



## Condensed Interim Financial Statements

Six Months Ended June 30, 2019

(Unaudited - Expressed in Canadian Dollars)

**Notice of No Auditor Review of  
Interim Financial Statements**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these interim financial statements they must be accompanied by a notice indicating that these interim financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

**ALX Uranium Corp.**  
Condensed Interim Statements of Financial Position  
(Expressed in Canadian Dollars)

|   | June 30,<br>2019     | December 31,<br>2018 |
|---|----------------------|----------------------|
| <b>Assets</b>                                     |                      |                      |
| <b>Current</b>                                    |                      |                      |
| Cash  | \$ 2,036,280         | \$ 889,437           |
| Amounts receivable                                | 24,239               | 14,709               |
| Marketable securities (Note 3)                    | 1,033,442            | 1,191,753            |
| Prepaid expenses and deposits                     | 64,745               | 184,746              |
| <b>Total Current Assets</b>                       | <b>3,158,706</b>     | 2,280,645            |
| <b>Marketable securities</b> (Note 3)             | <b>22,500</b>        | 52,500               |
| <b>Property and equipment</b> (Note 4)            | <b>179,212</b>       | 26,790               |
| <b>Exploration and evaluation assets</b> (Note 5) | <b>9,159,387</b>     | 8,608,775            |
| <b>Total Assets</b>                               | <b>\$ 12,519,805</b> | \$ 10,968,710        |
| <b>Liabilities</b>                                |                      |                      |
| <b>Current</b>                                    |                      |                      |
| Accounts payable and accrued liabilities          | \$ 141,648           | \$ 60,492            |
| Current portion of lease liabilities (Note 9)     | 26,489               | -                    |
| Liability for flow-through shares (Note 6)        | 60,362               | -                    |
| <b>Total Current Liabilities</b>                  | <b>228,499</b>       | 60,492               |
| <b>Lease liabilities</b> (Note 9)                 | <b>134,856</b>       | -                    |
| <b>Equity</b>                                     |                      |                      |
| <b>Share capital</b> (Note 7)                     | <b>15,699,214</b>    | 14,135,304           |
| <b>Reserves</b> (Note 8)                          | <b>1,931,792</b>     | 1,871,765            |
| <b>Deficit</b>                                    | <b>(5,474,556)</b>   | (5,098,851)          |
| <b>Total Equity</b>                               | <b>12,156,450</b>    | 10,908,218           |
| <b>Total Liabilities and Equity</b>               | <b>\$ 12,519,805</b> | \$ 10,968,710        |
| Going concern of operations (Note 2)              |                      |                      |
| Commitments (Note 9)                              |                      |                      |

**ALX Uranium Corp.**

## Condensed Interim Statements of Net (Loss) Income and Comprehensive (Loss) Income

For the Three and Six Months ended June 30, 2019 and 2018

(Expressed in Canadian Dollars)

|   | <b>Three Months Ended</b> |                    | <b>Six Months Ended</b> |                     |
|---|---------------------------|--------------------|-------------------------|---------------------|
|   | <b>June 30,</b>           |                    | <b>June 30,</b>         |                     |
|   | <b>2019</b>               | <b>2018</b>        | <b>2019</b>             | <b>2018</b>         |
| <b>Expenses</b>   |                           |                    |                         |                     |
| Accounting and audit fees   | \$ 197                    | \$ -               | \$ 21,197               | \$ 25,000           |
| Advertising and promotion   | 24,809                    | 29,513             | 54,099                  | 72,135              |
| Consulting fees and salaries (Note 10)  | 136,415                   | 126,824            | 275,666                 | 274,024             |
| Depreciation  | 11,381                    | 1,153              | 22,762                  | 2,306               |
| Insurance   | 4,881                     | 4,893              | 10,040                  | 9,425               |
| Investor relations  | 7,842                     | 7,413              | 13,503                  | 7,763               |
| Legal fees  | 1,198                     | 2,524              | 8,347                   | 9,541               |
| Office and general  | 25,557                    | 30,665             | 42,604                  | 62,674              |
| Property investigation  | 192                       | 2,465              | 19,522                  | 11,550              |
| Share-based payments (Note 8)   | 17,708                    | 16,357             | 17,708                  | 44,354              |
| Transfer agent and filing fees  | 12,168                    | 6,338              | 18,642                  | 14,204              |
| Travel Expenses   | 2,427                     | 6,997              | 22,996                  | 31,857              |
| <b>Operating Expenses</b>   | <b>244,775</b>            | <b>235,142</b>     | <b>527,086</b>          | <b>564,833</b>      |
| <b>Other Income (Expense)</b>   |                           |                    |                         |                     |
| Foreign exchange loss   | (20)                      | (102)              | (31)                    | (152)               |
| Impairment of exploration and evaluation assets                                 | -                         | (26,894)           | -                       | (26,894)            |
| Interest and recovery of office and general                                     | 14,994                    | 11,632             | 29,439                  | 24,509              |
| Gain on sale of marketable securities (Note 3)                                  | 62,696                    | 127,304            | 62,696                  | 173,653             |
| Unrealized (loss)gain on marketable securities (Note 3)                         | (44,386)                  | 89,633             | 52,139                  | (413,618)           |
| <b>Loss before Income Taxes</b>   | <b>(211,491)</b>          | <b>(33,569)</b>    | <b>(382,843)</b>        | <b>(807,335)</b>    |
| Deferred income tax recovery (Note 6)   | 7,138                     | -                  | 7,138                   | -                   |
| <b>Net Loss and Comprehensive Loss for the Period</b>                           | <b>\$ (204,353)</b>       | <b>\$ (33,569)</b> | <b>\$ (375,705)</b>     | <b>\$ (807,335)</b> |
| <b>Basic and Diluted Loss Per Share</b>   | <b>\$ (0.01)</b>          | <b>\$ (0.01)</b>   | <b>\$ (0.01)</b>        | <b>\$ (0.01)</b>    |
| <b>Weighted Average Number of Common Shares Outstanding - Basic and Diluted</b> | <b>88,875,531</b>         | <b>81,350,052</b>  | <b>88,875,531</b>       | <b>81,350,052</b>   |

**ALX Uranium Corp.**

## Condensed Interim Statements of Changes in Equity

For the Six Months ended June 30, 2019 and 2018

(Expressed in Canadian Dollars)

|  | Number of<br>Shares | Share Capital        | Reserves            | Share<br>Subscription<br>Receivable | Deficit               | Total             |
|--|---------------------|----------------------|---------------------|-------------------------------------|-----------------------|-------------------|
| <b>Balance, January 1, 2018</b>  | <b>81,091,422</b>   | <b>\$ 13,709,304</b> | <b>\$ 1,821,559</b> | <b>\$ (150,000)</b>                 | <b>\$ (3,289,586)</b> | <b>12,091,277</b> |
| Issuance of shares for cash (Note 7)                                       | -                   | -                    | -                   | 150,000                             | -                     | 150,000           |
| Issuance of shares for exploration and<br>evaluation assets (Note 5 and 7) | 5,400,000           | 426,000              | -                   | -                                   | -                     | 426,000           |
| Share-based compensation (Note 8)  | -                   | -                    | 44,354              | -                                   | -                     | 44,354            |
| Net loss for the period  | -                   | -                    | -                   | -                                   | (807,334)             | (807,334)         |
| <b>Balance, June 30, 2018</b>  | <b>86,491,422</b>   | <b>\$ 14,135,304</b> | <b>\$ 1,865,913</b> | <b>-</b>                            | <b>\$ (4,096,920)</b> | <b>11,904,297</b> |

  

|  | Number of<br>Shares | Share Capital        | Reserves            | Share<br>Subscription<br>Receivable | Deficit               | Total             |
|--|---------------------|----------------------|---------------------|-------------------------------------|-----------------------|-------------------|
| <b>Balance, January 1, 2019</b>  | <b>86,491,422</b>   | <b>\$ 14,135,304</b> | <b>\$ 1,871,765</b> | <b>\$ -</b>                         | <b>\$ (5,098,851)</b> | <b>10,908,218</b> |
| Issuance of shares for cash (Note 7)                                       | 26,500,000          | 1,457,500            | -                   | -                                   | -                     | 1,457,500         |
| Share issuance costs (Note 7)  | -                   | (144,590)            | 42,319              | -                                   | -                     | (102,271)         |
| Issuance of shares for exploration and<br>evaluation assets (Note 5 and 7) | 4,200,000           | 251,000              | -                   | -                                   | -                     | 251,000           |
| Share-based compensation (Note 8)  | -                   | -                    | 17,708              | -                                   | -                     | 17,708            |
| Net loss for the period  | -                   | -                    | -                   | -                                   | (375,705)             | (375,705)         |
| <b>Balance, June 30, 2019</b>  | <b>117,191,422</b>  | <b>\$ 15,699,214</b> | <b>\$ 1,931,792</b> | <b>-</b>                            | <b>\$ (5,474,556)</b> | <b>12,156,450</b> |

The accompanying notes are an integral part of these financial statements.

**ALX Uranium Corp.**  
Condensed Interim Statements of Cash Flows  
For the Six Months ended June 30, 2019 and 2018  
(Expressed in Canadian Dollars)

|  | 2019                | 2018                |
|--|---------------------|---------------------|
| <b>CASH FLOWS USED IN OPERATING ACTIVITIES:</b>                    |                     |                     |
| Net loss for the period  | \$ (375,705)        | \$ (807,334)        |
| Items not involving cash:  |                     |                     |
| Deferred income tax recovery                                       | (7,138)             | -                   |
| Depreciation   | 22,762              | 2,306               |
| Finance charges  | 8,373               | -                   |
| Gain on sale of marketable securities                              | (62,696)            | (173,653)           |
| Impairment of exploration and evaluation assets                    | -                   | 26,894              |
| Share-based payments   | 17,708              | 44,354              |
| Unrealized (gain)loss on marketable securities                     | (52,139)            | 413,618             |
| Changes in non-cash operating working capital:                     |                     |                     |
| Amounts receivable   | (9,530)             | 2,156               |
| Prepaid expenses   | 120,001             | 209,255             |
| Accounts payable and accrued liabilities                           | 17,236              | (40,654)            |
| <b>Net cash flows (used in) operating activities</b>               | <b>(321,128)</b>    | <b>(323,058)</b>    |
| <b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:</b>             |                     |                     |
| Exploration and evaluation asset expenditures                      | (235,692)           | (651,189)           |
| Proceeds from sale of marketable securities                        | 303,146             | 860,158             |
| Purchase of property and equipment                                 | -                   | (2,116)             |
| <b>Net cash flows (used in) provided from investing activities</b> | <b>67,454</b>       | <b>206,853</b>      |
| <b>CASH FLOWS PROVIDED FROM FINANCING ACTIVITIES:</b>              |                     |                     |
| Interest and finance charges paid                                  | (8,373)             | -                   |
| Issuance of shares for cash  | 1,525,000           | 150,000             |
| Repayment of lease liabilities                                     | (13,839)            | -                   |
| Share issuance costs   | (102,271)           | -                   |
| <b>Net cash flows (used in) provided from financing activities</b> | <b>1,400,517</b>    | <b>150,000</b>      |
| <b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>            | <b>1,146,843</b>    | <b>33,795</b>       |
| <b>Cash and cash equivalents, beginning of period</b>              | <b>889,437</b>      | <b>1,142,521</b>    |
| <b>Cash and cash equivalents, end of period</b>                    | <b>\$ 2,036,280</b> | <b>\$ 1,176,316</b> |

Supplemental disclosure with respect to cash flows (Note 11)

# **ALX Uranium Corp.**

Notes to the Condensed Interim Financial Statements

For the Six Months ended June 30, 2019

(Expressed in Canadian Dollars)

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## **1. NATURE OF OPERATIONS**

ALX Uranium Corp. (“ALX” or the “Company”) is a publicly listed company incorporated in British Columbia with limited liability under the legislation of the Province of British Columbia. The shares of the Company are listed on the TSX Venture Exchange (“TSX-V”) under the symbol ‘AL’, on the Frankfurt Stock Exchange (“FSE”) under the symbol “6LNN” and in the United States OTC market under the symbol ‘ALXEF’. The Company is principally engaged in the acquisition, exploration, and development of mineral properties.

The head office, principal address and registered and records office of the Company are located at 408 – 1199 West Pender Street, Vancouver, BC, Canada, V6E 2R1.

## **2. BASIS OF PREPARATION**

### **Statement of compliance and basis of measurement**

These financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), applicable to the presentation of interim financial statements, including IAS 34, Interim Financial Reporting.

On January 1, 2018 the Company amalgamated with its wholly owned subsidiary Alpha Exploration Inc. (“Alpha”).

These financial statements have been prepared under the historical cost basis, except for the classification of certain financial instruments measured at fair value through profit or loss (“FVTPL”). These financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

### **Going concern of operations**

These financial statements were prepared on a going concern basis, under the historical cost convention. The Company’s ability to continue as a going concern is dependent upon the ability of the Company to obtain financing and generate positive cash flows from its operations. The Company expects that it will need to obtain further financing in the form of debt, equity or a combination thereof in the future. There can be no assurance that additional funding will be available to the Company, or, if available, that this funding will be on acceptable terms. If adequate funds are not available, the Company may be required to delay or reduce the scope of any or all of its exploration projects.

### **Approval of the financial statements**

The financial statements of ALX Uranium Corp. for the six months ended June 30, 2019 were approved and authorized for issue by the board of directors on August 1, 2019.

### **Significant accounting judgments, estimates and assumptions**

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

# ALX Uranium Corp.

Notes to the Condensed Interim Financial Statements

For the Six Months ended June 30, 2019

(Expressed in Canadian Dollars)

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## 2. BASIS OF PREPARATION - continued

### Significant accounting judgments, estimates and assumptions – continued

In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements includes:

- The ability of the Company to continue as a going concern for the next fiscal year; and
- assessment as to whether any impairment exists in the valuation of its assets;
- impairment of marketable securities;
- recovery of amounts receivable;
- the useful life and recoverability of property and equipment;
- rehabilitation provisions;
- fair value of share-based payments; and
- deferred income tax asset valuation allowances.

### Significant accounting policies

The policies applied in these condensed interim financial statements are consistent with policies disclosed in Note 3 of the financial statements for the year ended December 31, 2018, with the exception of the Company's accounting for leases. These condensed interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2018.

On January 1, 2019, ALX adopted the provisions of IFRS 16 Leases ("IFRS 16") using the modified retrospective approach. Accordingly, comparative information has not been restated. The transitional impact of the change in accounting policy is nil as the only right-of-use asset identified was an office lease which expired December 31, 2018. Additional disclosures related to ALX's IFRS 16 right-of-use assets and lease liabilities are disclosed in notes 4 and 9, respectively. ALX's new accounting policy for leases is as follows:

#### *Leases*

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either: (a) the Company has the right to operate the asset; or (b) the Company designed the asset in a way that predetermines how and for what purpose it will be used.

If the contract contains a lease, a right-of-use asset and a corresponding lease liability are set-up at the date at which the leased asset is available for use by the Company. The lease payments are discounted using either the interest rate implicit in the lease, if available, or the Company's incremental borrowing rate. Each lease payment is allocated between the liability and the finance cost so as to produce a constant rate of interest on the remaining lease liability balance. The Company accounts for the lease and non-lease components separately. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.



# ALX Uranium Corp.

Notes to the Condensed Interim Financial Statements

For the Six Months ended June 30, 2019

(Expressed in Canadian Dollars)

## 2. BASIS OF PREPARATION – continued

### Significant accounting policies - continued

#### *Leases - continued*

ALX uses the following practical expedients permitted by the standard: a) low value leases and leases with a term of less than 12 months remaining at January 1, 2019 have been accounted for as short-term leases; and c) initial direct costs for the measurement of the right-of-use asset at the date of initial application have been excluded.

## 3. MARKETABLE SECURITIES

The Company holds marketable securities in quoted public companies. The investments are measured at fair value using a level 1 input in the fair value hierarchy. These shares are publicly listed on various Canadian stock exchanges and published price quotes are widely available. The aggregate amount of the investments can be summarized as follows:

|  | June 30, 2019 |                   | December 31, 2018 |                   |
|--|---------------|-------------------|-------------------|-------------------|
|  | Cost          | Fair Market Value | Cost              | Fair Market Value |
|  | \$            | \$                | \$                | \$                |
| Aurelius Minerals Inc.                 | 96,021        | 52,512            | 105,256           | 80,588            |
| Denison Mines Corp.                    | 654,840       | 898,800           | 869,805           | 1,074,465         |
| Manitou Gold Inc.*                     | 130,000       | 90,000            | 146,250           | 78,750            |
| Uravan Minerals Inc.                   | 58,520        | 14,630            | 58,520            | 10,450            |
|  | 939,381       | 1,055,942         | 1,179,831         | 1,244,253         |
| Less: shares subject to a hold period* | (32,500)      | (22,500)          | (97,500)          | (52,500)          |
| Total                                  | 906,881       | 1,033,442         | 1,082,331         | 1,191,753         |

\*The Manitou Gold shares are subject to a hold period (See Note 5).

## 4. PROPERTY AND EQUIPMENT

|                            | Right-of-use assets | Computer equipment | Field equipment | Office equipment | Total   |
|----------------------------|---------------------|--------------------|-----------------|------------------|---------|
|                            | \$                  | \$                 | \$              | \$               | \$      |
| Cost:                      |                     |                    |                 |                  |         |
| Balance, December 31, 2018 | -                   | 8,299              | 16,640          | 23,356           | 48,295  |
| Additions                  | 175,184             | -                  | -               | -                | 175,184 |
| Balance, June 30, 2019     | 175,184             | 8,299              | 16,640          | 23,356           | 223,479 |
| Accumulated depreciation:  |                     |                    |                 |                  |         |
| Balance, December 31, 2018 | -                   | 4,550              | 8,579           | 8,376            | 21,505  |
| Additions                  | 17,518              | 1,244              | 1,664           | 2,336            | 22,762  |
| Balance, June 30, 2019     | 17,518              | 5,794              | 10,243          | 10,712           | 44,267  |
| Carrying amounts:          |                     |                    |                 |                  |         |
| Balance, December 31, 2018 | -                   | 3,749              | 8,061           | 14,980           | 26,790  |
| Balance, June 30, 2019     | 157,666             | 2,505              | 6,397           | 12,644           | 179,212 |

# ALX Uranium Corp.

Notes to the Condensed Interim Financial Statements

For the Six Months ended June 30, 2019

(Expressed in Canadian Dollars)

## 5. EXPLORATION AND EVALUATION ASSETS

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to its mineral properties, and, to the best of its knowledge, except as described below, they are properly registered and in good standing.

|  | Uranium<br>Properties | Other<br>Properties | Total               |
|--|-----------------------|---------------------|---------------------|
| <b>Balance, January 1, 2018</b>                                | \$ 7,745,545          | \$ 57,963           | \$ 7,803,508        |
| Additions during the year --                                   |                       |                     |                     |
| Property acquisition costs                                     |                       |                     |                     |
| Cash   | 10,000                | 40,000              | 50,000              |
| Staking  | 33,770                | 2,464               | 36,234              |
| Shares   | 400,000               | -                   | 400,000             |
| Property exploration costs                                     |                       |                     |                     |
| Assays   | 15,948                | 3,436               | 19,384              |
| Camp   | 103,123               | 35,548              | 138,671             |
| Drilling   | 438,845               | 30,852              | 469,697             |
| Field supplies and rentals                                     | 89,309                | 16,605              | 105,914             |
| Geological and field personnel                                 | 229,475               | 37,243              | 266,718             |
| Other  | 16,548                | -                   | 16,548              |
| Surveying costs  | 245,835               | 22,185              | 268,020             |
| Travel and accommodation                                       | 9,409                 | 2,984               | 12,393              |
| <b>Total additions during the year</b>                         | <b>1,592,262</b>      | <b>191,317</b>      | <b>1,783,579</b>    |
| Impairment of exploration and evaluation assets                | (915,775)             | (4,500)             | (920,275)           |
| Proceeds received on sale of exploration and evaluation assets | -                     | (233,750)           | (233,750)           |
| Gain on sale of exploration and evaluation assets              | -                     | 175,713             | 175,713             |
| <b>Balance, December 31, 2018</b>                              | <b>\$ 8,422,032</b>   | <b>\$ 186,743</b>   | <b>\$ 8,608,775</b> |
| Additions during the period--                                  |                       |                     |                     |
| Property acquisition costs                                     |                       |                     |                     |
| Cash   | 10,000                | 12,000              | 22,000              |
| Staking  | 11,416                | 16,127              | 27,543              |
| Common shares  | 240,000               | 11,000              | 251,000             |
| Property exploration costs                                     |                       |                     |                     |
| Field supplies and rentals                                     | 6,318                 | 192                 | 6,510               |
| Geological and field personnel                                 | 55,977                | 41,042              | 97,019              |
| Other  | -                     | 5,200               | 5,200               |
| Surveying costs  | 131,425               | 9,915               | 141,340             |
| <b>Total additions during the period</b>                       | <b>455,136</b>        | <b>95,476</b>       | <b>550,612</b>      |
| <b>Balance, June 30, 2019</b>                                  | <b>\$ 8,877,168</b>   | <b>\$ 282,219</b>   | <b>\$ 9,159,387</b> |

# ALX Uranium Corp.

Notes to the Condensed Interim Financial Statements

For the Six Months ended June 30, 2019

(Expressed in Canadian Dollars)

## 5. EXPLORATION AND EVALUATION ASSETS - continued

### Uranium Properties

|                                   | Close Lake | Gibbons Creek | Kelic Lake   | Lazy Edward | South Pine/Perch | Newnham Lake | Carpenter Lake | Hook-Carter | Cluff Lake | Black Lake   | Other Uranium Properties | Total        |
|-----------------------------------|------------|---------------|--------------|-------------|------------------|--------------|----------------|-------------|------------|--------------|--------------------------|--------------|
| Note                              | (i)        | (ii)          | (iii)        | (iv)        | (v)              | (vi)         | (vii)          | (viii)      | (ix)       | (x)          | (xi)                     |              |
| <b>Balance, January 1, 2018</b>   | \$ -       | \$ 1,560,061  | \$ 1,702,542 | \$ 418,887  | \$ 317,761       | \$ 1,452,340 | \$ 299,740     | \$ 1,422    | \$ 887,066 | \$ 1,035,615 | \$ 70,110                | \$ 7,745,544 |
| Additions during the year --      |            |               |              |             |                  |              |                |             |            |              |                          |              |
| Property acquisition costs        |            |               |              |             |                  |              |                |             |            |              |                          |              |
| Cash                              | -          | -             | -            | -           | 10,000           | -            | -              | -           | -          | -            | -                        | 10,000       |
| Staking                           | -          | -             | -            | 1,381       | 4,576            | 5,865        | -              | -           | 1,449      | -            | 20,499                   | 33,770       |
| Common shares                     | -          | -             | -            | -           | -                | -            | -              | -           | -          | 400,000      | -                        | 400,000      |
| Property exploration costs        |            |               |              |             |                  |              |                |             |            |              |                          |              |
| Assays                            | -          | -             | -            | -           | -                | 15,948       | -              | -           | -          | -            | -                        | 15,948       |
| Camp                              | -          | -             | -            | 32          | 33               | 103,058      | -              | -           | -          | -            | -                        | 103,123      |
| Drilling                          | -          | -             | -            | -           | -                | 432,845      | -              | -           | -          | 6,000        | -                        | 438,845      |
| Field supplies                    | -          | 36            | 1,280        | -           | 380              | 87,645       | -              | -           | -          | (32)         | -                        | 89,309       |
| Geological and field personnel    | -          | 10,140        | -            | 22,327      | 19,346           | 90,633       | 203            | 81          | 1,259      | 32,713       | 52,773                   | 229,475      |
| Other expenses                    | -          | -             | -            | -           | -                | -            | -              | (1,502)     | 26,001     | -            | (7,951)                  | 16,548       |
| Surveying costs                   | -          | -             | -            | 173,850     | 47,595           | -            | -              | -           | -          | 9,350        | 15,040                   | 245,835      |
| Travel and accommodation          | -          | -             | -            | -           | -                | 9,409        | -              | -           | -          | -            | -                        | 9,409        |
| Total additions during the year   | -          | 10,176        | 1,280        | 197,590     | 81,930           | 745,403      | 203            | (1,421)     | 28,709     | 448,031      | 80,361                   | 1,592,262    |
| Impairment                        |            |               |              |             |                  |              |                |             | (915,774)  |              |                          | (915,774)    |
| <b>Balance, December 31, 2018</b> | \$ -       | \$ 1,570,237  | \$ 1,703,822 | \$ 616,477  | \$ 399,691       | \$ 2,197,743 | \$ 299,943     | \$ 1        | \$ 1       | \$ 1,483,646 | \$ 150,471               | \$ 8,422,032 |
| Additions during the period --    |            |               |              |             |                  |              |                |             |            |              |                          |              |
| Property acquisition costs        |            |               |              |             |                  |              |                |             |            |              |                          |              |
| Cash                              | -          | -             | -            | -           | 10,000           | -            | -              | -           | -          | -            | -                        | 10,000       |
| Staking                           | -          | -             | -            | -           | -                | -            | -              | 300         | -          | -            | 11,116                   | 11,416       |
| Common shares                     | 240,000    | -             | -            | -           | -                | -            | -              | -           | -          | -            | -                        | 240,000      |
| Property exploration costs        |            |               |              |             |                  |              |                |             |            |              |                          |              |
| Field supplies                    | -          | -             | -            | 740         | 410              | 1,178        | -              | -           | -          | 410          | 3,580                    | 6,318        |
| Geological and field personnel    | 13,460     | -             | -            | 809         | 137              | 18,806       | -              | -           | -          | 11,470       | 11,295                   | 55,977       |
| Surveying costs                   | 61,925     | -             | -            | -           | -                | -            | -              | -           | -          | 69,500       | -                        | 131,425      |
| Total additions during the period | 315,385    | -             | -            | 1,549       | 10,547           | 19,984       | -              | 300         | -          | 81,380       | 25,991                   | 455,136      |
| <b>Balance, June 30, 2019</b>     | \$ 315,385 | \$ 1,570,237  | \$ 1,703,822 | \$ 618,026  | \$ 410,238       | \$ 2,217,727 | \$ 299,943     | \$ 301      | \$ 1       | \$ 1,565,026 | \$ 176,462               | \$ 8,877,168 |

# ALX Uranium Corp.

Notes to the Condensed Interim Financial Statements

For the Six Months ended June 30, 2019

(Expressed in Canadian Dollars)

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## 5. EXPLORATION AND EVALUATION ASSETS - continued

### Uranium Properties - continued

#### i) Close Lake Property

On February 25, 2019 the Company entered into a letter of intent (LOI) with Orano Canada Inc. ("Orano") to earn up to a 51% participating interest in the Close Lake Property. Following the LOI, a definitive option agreement was completed with an "Effective Date" of April 17, 2019.

Close Lake is located in the eastern Athabasca Basin area of northern Saskatchewan. The eastern boundary of the property adjoins the Cigar Lake uranium mine property and its southern boundary adjoins the McArthur River uranium mine property. Close Lake is currently the subject of a joint venture in which Orano as operator, holds a 74.4% interest, with Cameco Corp. holding a 15% interest, and Japan-Canada Uranium Company ("JCU") holding the remaining 10.6% interest.

In order to earn a participating interest in Close Lake, ALX would be obligated to:

- (a) During the period commencing on the date of the LOI and expiring 12 months following the Effective Date (the "Initial Period") pay to Orano \$1,250,000 towards exploration expenditures, and issue to Orano 4,000,000 common shares (issued and valued at \$240,000) of ALX; and
- (b) Following satisfaction by ALX of its obligations during the Initial Period, during the period commencing immediately following expiry of the Initial Period and expiring 24 months following the Effective Date (the "First Option Period") pay to Orano an additional \$2,250,000 towards exploration expenditures, and issue to Orano an additional 3,000,000 common shares of ALX.

If ALX satisfies these obligations during the First Option Period, it will have earned an option to acquire a 20% interest in Close Lake (the "First Option").

- (c) Following satisfaction by ALX of its obligations during the First Option Period, during the period commencing immediately following expiry of the First Option Period and expiring 42 months following the Effective Date (the "Second Option Period") pay to Orano an additional \$3,500,000 towards exploration expenditures, and issue to Orano an additional 2,000,000 common shares of ALX.

If ALX satisfies these obligations during the Second Option Period, it will have earned an option to acquire a 35% interest in Close Lake (the "Second Option").

- (d) Following satisfaction by ALX of its obligations during the Second Option Period, during the period commencing immediately following expiry of the Second Option Period and expiring 60 months following the Effective Date (the "Third Option Period") pay to Orano an additional \$5,000,000 towards exploration expenditures, and issue to Orano an additional 1,000,000 common shares of ALX.

If ALX satisfies these obligations during the Third Option Period, it will have earned an option to acquire a total 51% interest in Close Lake (the "Third Option").

In summary, in order for ALX to earn an option to acquire a 51% interest in Close Lake, ALX would be required to issue to Orano a total of 10,000,000 common shares of ALX and fund a total of \$12.0 million towards exploration expenditures.

# ALX Uranium Corp.

Notes to the Condensed Interim Financial Statements  
For the Six Months ended June 30, 2019  
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## 5. EXPLORATION AND EVALUATION ASSETS - continued

### Uranium Properties - continued

#### i) Close Lake Property - continued

Upon having exercised any portion of its options, ALX will be required to become a party to the joint venture agreement between Orano, Cameco, and JCU.

Orano would have two options (the "Back-in Options") to re-acquire a 51% interest in the Project from ALX (the "Back-in Interest") following its exercise of the Back-in Options by giving written notices to ALX (the "Back-in Notices"). In the case of its exercise of the first Back-In Option, Orano would be required to pay ALX approximately \$2.3 million based on ALX earning 35%. In the case of the second Back-In Option Orano would be required to pay ALX \$24.0 million, based on ALX earning 51%, through a combination of cash payments and carried expenditures needed to maintain ALX's future exploration obligations at the Project. . If either of the Back-in Options are exercised, ALX is expected to retain an estimated 23.4% interest in the Project.

If ALX obtains a 51% interest in the Project and (i) Orano does not exercise the Back-in Options; and (ii) ALX, or a successor company, produces at least 1,000,000 pounds of uranium from the Project Assets ("Initial Production") ALX would notify Orano of the date that ALX or a successor company achieved Initial Production (the "Initial Production Date") and pay Orano \$25 million over a 5-year period. Orano will receive a 2.0% net smelter return production royalty on any uranium produced from the Project, and any other milled mineral and/or product, except from Project claims subject to previously established net profit royalties.

#### ii) Gibbon's Creek Property

In 2013, the Company acquired, by staking, claims known as the Gibbon's Creek Property. Additionally, on November 27, 2013, the Company announced that it signed a Joint Venture Agreement (the "JV Agreement") with Star Minerals Group Ltd. ("Star Minerals") granting the Company an option to acquire a 100% interest in additional claims located in the Athabasca Basin, near the Gibbons Creek Property. Under the terms of the JV agreement, the Company earned a 100% interest in the additional claims by paying \$60,000 and issuing 200,000 common shares. Star Minerals will retain the option of a 25% buyback for four times the exploration monies spent by the Company to the date that the buyback option is exercised. The buyback option will be exercisable at any time up to a 90 day period following the completion and publication of a NI 43-101 compliant resource estimate. The transaction was approved by the TSX-V on November 28, 2013.

#### iii) Kelic Lake Property

On August 29, 2014, the Company entered into an option agreement with Jody Dahrouge and 877384 Alberta Ltd. to acquire a 100% interest in the Kelic Lake property located in southern margin of the Athabasca Basin. To earn its interest, the Company paid \$80,000, issued 500,000 common shares, and incurred exploration expenditures of at least \$750,000. The optionors retained a 2.5% royalty on production from the property, which can be reduced to a 1.5% royalty by paying of \$1,500,000 at any time prior to commencement of commercial production.

#### iv) Lazy Edward Bay Property

In 2013, the Company acquired, by staking, claims known as the Lazy Edward Bay Property.

On April 24, 2014, the Company announced that it entered into a purchase agreement to acquire a 100% interest in additional claims, formerly known as the Arbour Property, located adjacent to its previously staked Lazy Edward Bay

# ALX Uranium Corp.

Notes to the Condensed Interim Financial Statements

For the Six Months ended June 30, 2019

(Expressed in Canadian Dollars)

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## 5. EXPLORATION AND EVALUATION ASSETS - continued

### Uranium Properties - continued

#### iv) Lazy Edward Bay Property - continued

Uranium Property in the southern Athabasca Basin, Saskatchewan. Under the terms of the agreement, the Company has earned a 100% interest in the claims by paying \$5,000 and issuing 83,333 common shares valued \$42,500. The transaction was approved by the TSX-V on April 28, 2014.

On November 15, 2017 the Company acquired, by staking, additional claims contiguous to the existing claims.

#### v) South Pine/Perch Properties

On June 4, 2013, the Company signed an agreement with Basin Minerals Ltd. ("Basin") whereby the Company has the right to earn a 100% interest in the South Pine and Perch Lake Properties by making cash payments totalling \$70,000 (paid) and issuing 500,000 common shares (issued) over a 36 month period. Basin will retain a 2% Net Smelter Royalty ("NSR") on the Properties, 1% of which can be purchased by the Company for \$1,000,000. Basin will also be entitled to annual advanced royalty payments of \$10,000 which will commence after the Company has earned its interest. The transaction was accepted by the TSX-V on June 11, 2013.

#### vi) Newnham Lake Property

On July 21, 2014, the Company announced that it entered into a purchase agreement to acquire a 100% interest in the Newnham Lake Property. The Company has earned its interest by paying \$100,000 and issuing 833,333 common shares. The transaction was approved by the TSX-V on July 22, 2014.

On August 21, 2014, the Company entered into a purchase agreement with Kalt Industries Ltd. and DG Resource Management Ltd., for the acquisition of the 1333 Property, located near the Company's Newnham Lake Property, for total consideration of \$50,000 cash (paid) and 250,000 common shares (issued) of the Company. The Company commits to consideration of \$50,000 cash (paid) and 250,000 common shares (issued) of the Company. The Company commits to expend not less than \$1,000,000 in exploration expenditures on or before August 28, 2019, of which \$50,000 must be spent in year one. The property is subject to a 3% GORR, to which the Company may purchase up to a 1% for \$1,000,000 up to August 28, 2019. The transaction was approved by the TSX-V on August 28, 2014.

On August 21, 2014, the Company entered into an option agreement to acquire adjacent claims from Anstag Mining Inc., for total consideration of up to \$50,000 cash (paid) and 333,333 common shares (issued). In addition, the Company commits to incur \$1,500,000 in exploration expenditures on or before 5 years from the Exchange approval date. The property is subject to a 1% gross overriding royalty ("GORR"), to which the Company may purchase 0.5% of the GORR for \$1,000,000 at any time. The transaction was approved by the TSX-V on August 28, 2014.

#### vii) Carpenter Lake Property

On January 13, 2014, the Company entered into an option agreement with Noka Resources Inc. ("Noka") to acquire a 60% interest in the Carpenter Lake property located in Northern Saskatchewan. The Company has earned its interest by paying \$60,000, issuing 200,000 common shares, and incurring at least \$1,250,000 exploration expenditure.

As of November 10, 2014, a joint venture was formed between the Company (60%) and Noka (40%) for the further development of the property, with the Company serving as the operator. The property is subject to a royalty equal to 5% of gross revenues, which is owned by the original vendors ("Underlying Royalty"). The Underlying Royalty rate can be

# ALX Uranium Corp.

Notes to the Condensed Interim Financial Statements  
For the Six Months ended June 30, 2019  
(Expressed in Canadian Dollars)

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## 5. EXPLORATION AND EVALUATION ASSETS - continued

### Uranium Properties – continued

#### vii) Carpenter Lake Property - continued

reduced from 5% to 2% by Noka through the issuance of shares. On October 28, 2014, the Company was notified that Noka exercised its right to reduce the Underlying Royalty rate from 5% to 2% by issuing 3,000,000 shares to the original property vendors.

#### viii) Hook-Carter Property

The Hook Lake property was acquired by ALX's predecessor company called Alpha and is 100% owned by the Company, subject to royalties. There is a 2.5% gross overriding royalty. The Company has a right to purchase 1% of the royalty for \$1,000,000 prior to the commencement of commercial production.

On May 27, 2015, the Company entered into an option agreement to acquire twenty eight mineral claims from Eagle Plains Resources Limited ("EPL") for total consideration of \$40,000 cash (paid) and 266,667 common shares (issued). The Company acquired, by staking, ten mineral claims which, when added to the original four claims that were staked, bring the total number of claims at Carter Lake to 38 claims. All thirty eight claims are subject to a 2% Net Smelter Royalty ("NSR") payable to EPL. The Company may, at any time, purchase 1% of the NSR for \$1,000,000. The transaction was approved by the TSX-V on June 8, 2015.

On November 4, 2016, the Company completed the sale of an 80% interest in the Hook-Carter Property to Denison Mines Corp. ("Denison"). Under the terms of the agreement, the Company received 7,500,000 common shares with a value of \$3,825,000 in exchange for an immediate 80% interest in the property. ALX will retain a 20% interest in the property and Denison has agreed to fund ALX's share of the first \$12,000,000 in expenditures. Denison has also agreed to a work commitment of \$3,000,000 over 3 years – should Denison not meet this commitment, Denison's interest in the property will decrease from 80% to 75% and ALX's interest will increase from 20% to 25%. Thirty-six months after the effective date of the Agreement, the parties agree to form a joint venture, in which all material decisions shall be carried by a vote representing a 51% ownership interest. The Denison common shares issued to the Company are subject to an escrow arrangement, whereby one-sixth of the shares were received on the closing date and a further one-sixth of the shares will be released from escrow in six month increments following the closing date. As at June 30, 2019, all of the shares have been released from escrow.

In November 2016, Denison also purchased the Coppin Lake property from Areva Resources Canada and UEX Corporation for cash payments of \$35,000 and a 1.5% net smelter royalty. Under the terms of the Hook-Carter Property agreement, Denison and ALX have elected to have these claims form part of the Hook-Carter Property and ALX's interest in these claims will be the same as its interest in the Hook-Carter Property.

#### ix) Cluff Lake Project

### Middle Lake Property (formerly Cluff Lake (ACME) Property)

The Middle Lake project is owned 80% by the Company and 20% by Acme Resources ("Acme"). The Middle Lake project is located adjacent to the east of the former Cluff Lake Mine area in the western portion of the Athabasca Basin in Northern Saskatchewan. The property comprises of one mineral disposition totaling 2,416 hectares and is about 630 kilometres north-northwest from Prince Albert, Saskatchewan. The Company shall produce a bankable feasibility study,

# ALX Uranium Corp.

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For the Six Months ended June 30, 2019  
(Expressed in Canadian Dollars)

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## 5. EXPLORATION AND EVALUATION ASSETS - continued

### Uranium Properties – continued

#### ix) Cluff Lake Project - continued

with Acme having a carried interest until the feasibility study is delivered, at which time Acme will have the choice to take on a 20% participating interest in a new company to operate the production facility or take on a 2% gross over-riding royalty for all uranium mineral products and a 2% net smelter returns royalty for all other metals. The Company will return all of its interest in the claim to Acme upon a decision by the Company to terminate work thereon.

During the year ended December 31, 2018, the Company fully impaired these claims with a cost of \$888,880.

#### Gorilla Lake Property (formerly Cluff Lake (Logan) Project)

The Gorilla Lake project comprises two mineral dispositions totaling approximately 7,552 hectares and is held 80% by the Company and 20% by Logan Resources Ltd. (“Logan”). The Company shall produce a bankable feasibility study with Logan having a carried interest until the feasibility study is delivered, at which time Logan will have the choice to take on a 20% participating interest in a new company to operate the production facility or take on a 2% gross over-riding royalty for all uranium mineral products and a 2% net smelter returns royalty for all other metals. The Company will return all of its interest in any of the claims to Logan upon a decision by the Company to terminate work thereon.

During the year ended December 31, 2017, the Company impaired these claims valued at \$521,633.

On May 9, 2018 the Company agreed to return its 80% interest in the Gorilla Lake Property to Logan Resources Ltd. with less than two years of assessment credits remaining. To cure the deficiency, the Company issued 400,000 common shares, valued at \$26,000, to Logan Resources Ltd. and the Company will have no remaining interest in the property. During the year ended December 31, 2018, the Company fully impaired these claims with a cost of \$26,894.

#### Bridle Lake Property (formerly Cluff Lake (Rio Tinto) Project)

This property is owned 50% by the Company and 50% by Rio Tinto Ltd. The Bridle Lake Property (Rio Tinto) is located adjacent to the north of the former Cluff Lake Mine area in the western portion of the Athabasca Basin in Northern Saskatchewan. The Bridle Lake Property (Rio Tinto) comprises two mineral dispositions.

During the year ended December 31, 2018, the Company fully impaired these claims.

#### x) Black Lake Properties

On July 31, 2017, the Company announced it had signed a binding interim letter agreement with UEX Corporation (“UEX”) which was replaced with a definitive option agreement on September 5, 2017, the “Effective Date”. The Company can earn up to a 75% participating interest from UEX in the Black Lake Property by making payments to UEX of 12 million common shares and a total of \$6.0 million of exploration expenditures over the next 4 years, as follows:

- ALX has earned a 40% participating interest in the property by issuing to UEX 5,000,000 common shares after incurring \$1,000,000 in exploration expenditures within 12 months of the Effective Date, including ALX’s exploration expenditures starting from the letter agreement date;
- ALX can earn an additional 11% interest for a total of 51% participating interest in the property by issuing to UEX 4,000,000 common shares after incurring an additional \$2,000,000 in exploration expenditures within 30 months of the Effective Date;
- ALX can earn an additional 24% interest for a total of 75% interest in the property by issuing to UEX 3,000,000 common shares after incurring an additional \$3,000,000 in exploration expenditures within 48 months of the Effective Date.



# ALX Uranium Corp.

Notes to the Condensed Interim Financial Statements

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(Expressed in Canadian Dollars)

## 5. EXPLORATION AND EVALUATION ASSETS – continued

### Uranium Properties – continued

#### x) Black Lake Properties -continued

The Company paid \$25,000 to UEX as consideration for entering into the binding interim letter agreement.

ALX may accelerate any of the share payments or exploration expenditures listed above and upon making such payments or expenditures, will earn the interest as set out above.

At any time, ALX may provide UEX with notice that it does not wish to incur additional exploration expenses or to earn a further ownership interest in the property. Upon such occurrence, ALX will lose any rights it had with respect to earning any additional ownership interest in the property and shall have no further obligations, other than as set out in the definitive agreement.

Black Lake is currently the subject of a joint venture, in which UEX Corporation holds a 90.92% interest in the property, with Orano Canada Inc. (formerly AREVA Resources Canada Inc.) holding the remaining 9.08% interest.

#### xi) Other Uranium Properties

### Staked Properties

On November 15, 2017 the Company announced that it had staked 36 new claims totalling approximately 48,457 hectares in the Athabasca Basin area of Saskatchewan, Canada. The Company paid \$40,415 to acquire these new claims.

### Other Properties

| <u>Other Properties</u>  |                   |  |                       |                                |                     |                             |                   |
|--|-------------------|--|-----------------------|--------------------------------|---------------------|-----------------------------|-------------------|
| Note   | Tango<br>(xii)    | Falcon Nickel and<br>Flying Vee Claims<br>(xiii) | Draco Claims<br>(xiv) | Kamichisitit<br>Claims<br>(xv) | Midas Gold<br>(xvi) | Mikwam<br>Project<br>(xvii) | Total             |
| <b>Balance, January 1, 2018</b>  | \$ -              | \$ -   | \$ -                  | \$ 4,013                       | \$ 53,950           | \$ -                        | \$ 57,963         |
| Additions during the year --   |                   |  |                       |                                |                     |                             |                   |
| Property acquisition costs   |                   |  |                       |                                |                     |                             |                   |
| Cash   | 40,000            | -  | -                     | -                              | -                   | -                           | 40,000            |
| Staking  | 2,464             | -  | -                     | -                              | -                   | -                           | 2,464             |
| Property exploration costs   |                   |  |                       |                                |                     |                             |                   |
| Assays   | 3,436             | -  | -                     | -                              | -                   | -                           | 3,436             |
| Camp   | 35,548            | -  | -                     | -                              | -                   | -                           | 35,548            |
| Drilling   | 30,852            | -  | -                     | -                              | -                   | -                           | 30,852            |
| Field supplies and rentals   | 14,105            | -  | -                     | -                              | 2,500               | -                           | 16,605            |
| Geological and field personnel   | 35,168            | -  | -                     | 488                            | 1,222               | 365                         | 37,243            |
| Surveying costs  | 22,185            | -  | -                     | -                              | -                   | -                           | 22,185            |
| Travel and accommodation   | 2,984             | -  | -                     | -                              | -                   | -                           | 2,984             |
| <b>Total additions during the year</b>   | <b>186,742</b>    | <b>-</b>   | <b>-</b>              | <b>488</b>                     | <b>3,722</b>        | <b>365</b>                  | <b>191,317</b>    |
| Impairment of exploration and<br>Proceeds received on sale of<br>exploration and evaluation assets | -                 | -  | -                     | (4,500)                        | -                   | -                           | (4,500)           |
| Gain on sale of exploration and  | -                 | -  | -                     | -                              | (196,250)           | (37,500)                    | (233,750)         |
|  | -                 | -  | -                     | -                              | 138,578             | 37,135                      | 175,713           |
| <b>Balance, December 31 2018</b>   | <b>\$ 186,742</b> | <b>\$ -</b>                                      | <b>\$ -</b>           | <b>\$ 1</b>                    | <b>\$ -</b>         | <b>\$ -</b>                 | <b>\$ 186,743</b> |

Continued on the next page

# ALX Uranium Corp.

Notes to the Condensed Interim Financial Statements

For the Six Months ended June 30, 2019

(Expressed in Canadian Dollars)

## 5. EXPLORATION AND EVALUATION ASSETS – continued

### Other Properties – continued

| Other Properties                  |                |  |                       |                                |                     |                             |       |      |            |
|-----------------------------------|----------------|--|-----------------------|--------------------------------|---------------------|-----------------------------|-------|------|------------|
| Note                              | Tango<br>(xii) | Falcon Nickel and<br>Flying Vee Claims<br>(xiii) | Draco Claims<br>(xiv) | Kamichisitit<br>Claims<br>(xv) | Midas Gold<br>(xvi) | Mikwam<br>Project<br>(xvii) | Total |      |            |
| <b>Balance, December 31 2018</b>  | \$ 186,742     | \$ -   | \$ -                  | \$ 1                           | \$ -                | \$ -                        | \$ -  | \$ - | \$ 186,743 |
| Additions during the period --    |                |  |                       |                                |                     |                             |       |      |            |
| Property acquisition costs        |                |  |                       |                                |                     |                             |       |      |            |
| Cash                              | -              | 12,000   | -                     | -                              | -                   | -                           | -     | -    | 12,000     |
| Common shares                     | -              | 11,000   | -                     | -                              | -                   | -                           | -     | -    | 11,000     |
| Staking                           | -              | 14,405   | 1,722                 | -                              | -                   | -                           | -     | -    | 16,127     |
| Property exploration costs        |                |  |                       |                                |                     |                             |       |      |            |
| Field supplies and rentals        | 192            | -  | -                     | -                              | -                   | -                           | -     | -    | 192        |
| Geological and field personnel    | 5,531          | 7,814  | 27,197                | 500                            | -                   | -                           | -     | -    | 41,042     |
| Other                             | -              | -  | -                     | 5,200                          | -                   | -                           | -     | -    | 5,200      |
| Surveying costs                   | 3,915          | 6,000  | -                     | -                              | -                   | -                           | -     | -    | 9,915      |
| Total additions during the period | 9,638          | 51,219   | 28,919                | 5,700                          | -                   | -                           | -     | -    | 95,476     |
| <b>Balance, June 30, 2019</b>     | \$ 196,380     | \$ 51,219  | \$ 28,919             | \$ 5,701                       | \$ -                | \$ -                        | \$ -  | \$ - | \$ 282,219 |

#### xii) Tango Property, Northern Saskatchewan

On June 11, 2018, the Company entered into an agreement to acquire a 100% interest in the Tango Property, located in Northern Saskatchewan from DG Resource Management Ltd., a private company controlled by a director of ALX. In accordance with the purchase agreement, the Company paid \$40,000 and granted a net smelter royalty (“NSR”) of 2%. Within five years of closing, the Company may purchase up to half of the NSR for \$2,000,000. The agreement was approved by the TSX Venture Exchange on August 21, 2018 and closed seven days later.

#### xiii) Falcon Nickel and Flying Vee Claims

Falcon Nickel Project is located approximately 14 kilometres northwest of Stony Rapids, Saskatchewan and ALX acquired a 100% interest by staking most of the claims in May 2019. The project is prospective nickel, copper, and cobalt. Included within the Falcon Nickel Project are the Axis Lake claims, Currie Lake claims, and Rea Lake claims. To acquire a 100% interest the Rea Lake Claims, the Company paid \$12,000 and issued 200,000 common shares valued at \$11,000. The vendor retains a 2.0% net smelter returns royalty (“NSR”) and the Company has the right to purchase 1.0% of the NSR for \$1.0 million.

Flying Vee is located approximately 25 kilometres north of Stony Rapids, Saskatchewan and ALX acquired a 100% interest by staking in April 2019. This project is also prospective nickel, copper, and cobalt.

#### xiv) Draco Claims

In May 2019, the Company acquired a 100% interest by staking the Draco Claims located in Norway.

# ALX Uranium Corp.

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## 5. EXPLORATION AND EVALUATION ASSETS - continued

### Other Properties - continued

#### xv) Kamichisitit Claims

In June 2012, the Company acquired, by staking, claims located in Kamichisitit Township, situated approximately 40 kilometres north of Iron Bridge, Ontario. In June 2014, the Company staked additional claims in the surrounding area. During the year ended December 31, 2018, the Company impaired these claims with a cost of \$4,500.

#### xvi) Midas Gold Property

On December 22, 2010, the Company entered into an option to purchase a 100% interest in and to the Midas Gold Property ("Midas"), located in Ontario, Canada. The Company paid the vendors total cash consideration of \$95,000 and issued 150,000 common shares. The agreement was accepted by the TSX-V on April 8, 2011. The Company incurred a total of \$125,000 in exploration expenditures on the Property in the first twelve months following TSX-V acceptance of the agreement. The Vendors will retain a 2% NSR on the Property; 1% of which can be purchased by the Company for \$1,000,000. As of the current date the Company has satisfied the terms of the agreement and earned its interest in the property.

On October 19, 2018, the Company completed a sale agreement with Manitou Gold Inc. ("MG") for the Midas property. The Company has received 2,250,000 shares of MG valued at \$146,250 plus cash of \$50,000 in exchange for its 100% interest in the Midas property. The MG shares are subject to a staged hold period of up to 28 months from closing. The following MG shares are subject to a hold:

|   |                |
|---|----------------|
| Ten months and one day (August 20, 2019)            | 500,000        |
| Sixteen months and one day (February 20, 2020)      | 500,000        |
| Twenty-two months and one day (August 20, 2020)     | 500,000        |
| Twenty-eight months and one day (February 20, 2021) | <u>500,000</u> |
|   | 2,000,000      |

In addition, MG has granted the Company an aggregate net smelter royalty ("NSR") of 0.5% from the Midas property. MG shall have the right, at any time, to acquire the NSR from the Company in exchange for a cash payment of \$500,000.

#### xv) Mikwam Property

The Mikwam gold property is 100% owned, subject to royalties, and is located in the Noseworthy Township, Ontario. On November 29, 2016, the Company entered into an option agreement with Aurelius Minerals Inc. ("Aurelius") in settlement of ALX's and Aurelius' dispute with respect to the acquisition of the Mikwam property.

Pursuant to the terms of the option agreement, Aurelius can acquire a 100% interest (subject to certain royalty interests and encumbrances) in the Mikwam property in consideration of making aggregate cash and share payments to ALX over a period of three years as follows:

- \$25,000 and issue 2,000,000 common shares valued at \$180,000 on closing of the transaction (received);
- \$50,000 or, at Aurelius' election, issue 500,000 common shares on or before the first anniversary of the Option (500,000 shares valued at \$35,000 were received on November 27, 2017);
- \$75,000 or, at Aurelius' election, issue 750,000 common shares on or before the second anniversary of the Option Agreement (750,000 shares valued at \$18,750 were received on November 27, 2018); and
- \$100,000 or, at Aurelius' election, issue 750,000 common shares on or before the third anniversary of the Option Agreement (750,000 shares valued at \$18,750 were received on November 27, 2018).

On November 27, 2018, the Company received an advanced issuance of 750,000 common shares from Aurelius to complete the sale.

# ALX Uranium Corp.

Notes to the Condensed Interim Financial Statements

For the Six Months ended June 30, 2019

(Expressed in Canadian Dollars)

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## 6. LIABILITY AND INCOME TAX EFFECT ON FLOW-THROUGH SHARES

Funds raised through the issuance of flow-through shares are expected to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds less the qualified expenditures made to date represent the funds received from flow-through share issuances that have not been spent and are held by the Company for such expenditures.

On May 31, 2019, the Company issued 13,500,000 units on a flow-through basis at \$0.06 per unit for gross proceeds of \$810,000 and recognized a liability for flow-through shares of \$67,500. As at June 30, 2019, the Company has spent \$85,653 of the flow-through funds and have reverse \$7,138 of the flow-through liability.

At June 30, 2019 and December 31, 2018, the amount of flow-through proceeds remaining to be expended is \$724,347 (December 31, 2018 - \$nil) and the balance of the liability for flow-through shares is \$60,362 (December 31, 2018 - \$nil).

## 7. SHARE CAPITAL

- a) Authorized: Unlimited number of common shares without nominal or par value.
- b) Issued: The total issued and outstanding shares of the Company at June 30, 2019 and December 31, 2018 was 117,191,422 and 86,491,422, respectively.

### During the period ended June 30, 2019:

- i) On May 31, 2019, the Company closed a non-brokered private placement consisting of 13,500,000 FT Units at \$0.06 each and 13,000,000 NFT Units at \$0.055 each for gross proceeds of \$1,525,000 (with \$67,500 being recognize as a liability for flow-through shares). Each FT Unit consist of one flow-through share and one non flow-through common share purchase warrant in the capital of the Company. Each NFT Unit consist of one common share and one common share purchase warrant in the capital of the Company. Each warrant is exercisable into one common share of the Company for a period of two years from closing at an exercise price of \$0.10 per common share.

In conjunction with the private placement, the Company paid finders fees of \$89,801 and issued 1,560,780 finder fee warrants valued \$42,319. Each warrant is exercisable into one common share of the Company for a period of two years from closing at an exercise price of \$0.06 per common share.

- ii) On June 12, 2019, issued 4,000,000 common shares for Close Lake exploration and evaluation assets valued at \$240,000.
- iii) On June 14, 2019, issued 200,000 common shares for Falcon Nickel Project (Rea Lake claims) exploration and evaluation assets valued at \$11,000.

### During the year ended December 31, 2018:

- iv) On May 25, 2018, issued 400,000 common shares for Gorilla Lake exploration and evaluation assets valued at \$26,000.
- v) On June 14, 2018, issued 5,000,000 common shares for Black Lake exploration and evaluation assets valued at \$400,000.

# ALX Uranium Corp.

Notes to the Condensed Interim Financial Statements  
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## 7. SHARE CAPITAL - continued

### c) Warrants:

Warrant transactions and the number of warrants outstanding are summarized as follows:

|                            | June 30, 2019      |                                 | December 31, 2018  |                               |
|----------------------------|--------------------|---------------------------------|--------------------|-------------------------------|
|                            | Number of Warrants | Weighted Average Exercise Price | Number of Warrants | Weight Average Exercise Price |
| Balance, beginning of year | 16,330,000         | \$ 0.15                         | 19,042,600         | \$ 0.14                       |
| Issued                     | 28,060,780         | 0.10                            | -                  | -                             |
| Balance, end of period     | 44,390,780         | \$ 0.12                         | 19,042,600         | \$ 0.15                       |

The following warrants were outstanding as at June 30, 2019:

| Expiry Date         | Exercise Price | Number of Warrants | Remaining Contractual Life (Years) |
|---------------------|----------------|--------------------|------------------------------------|
| December 29, 2019   | \$ 0.15        | 2,180,000          | 0.50                               |
| November 16, 2020*  | \$ 0.20        | 2,325,000          | 1.38                               |
| December 23, 2020*  | \$ 0.20        | 765,000            | 1.48                               |
| December 30, 2020** | \$ 0.15        | 2,410,000          | 1.50                               |
| July 21, 2020       | \$ 0.13        | 8,650,000          | 1.06                               |
| May 31, 2021        | \$ 0.10        | 26,500,000         | 1.92                               |
| May 31, 2021        | \$ 0.06        | 1,560,780          | 1.92                               |
| Total               |                | 44,390,780         |                                    |

\* The original expiry dates of these warrants were extended by 18 months and then further extended by an additional 18 months.

\*\*The original expiry dates of these warrants were extended by 24 months.

The Company applies the fair value method in accounting for its finder fee warrants using the Black-Scholes pricing model. During the six months ended June 30, 2019 and 2018, the Company issued a total of 1,560,780 (June 30, 2018 – nil) finder fee warrants. The finder fee warrants granted resulted in share issue costs of \$42,319 (June 30, 2018 - \$nil). The following parameters were used to value finder fee warrants:

|                                    | June 30, 2019 | June 30, 2018 |
|------------------------------------|---------------|---------------|
| Expected Life                      | 2 years       | N/A           |
| Risk-free interest rate            | 1.43%         | N/A           |
| Annualized volatility              | 97.05%        | N/A           |
| Dividend rate                      | N/A           | N/A           |
| Fair value of shares at grant date | \$0.055       | N/A           |

# ALX Uranium Corp.

Notes to the Condensed Interim Financial Statements

For the Six Months ended June 30, 2019

(Expressed in Canadian Dollars)

## 8. SHARE-BASED PAYMENTS

The Company has a stock option plan in place under which it is authorized to grant options of up to 10% of its outstanding shares to officers, directors, employees and consultants. The exercise price of each option is to be determined by the board of directors but shall not be less than the discounted market price as defined by the TSX Venture Exchange. The expiry date for each option should be for a maximum term of ten years.

The following stock option grants were issued during the six month period ended June 30, 2019 and the year ended December 31, 2018:

- On June 6, 2019, the Company granted 3,450,000 stock options (3,025,000 were issued to directors and officers) with an exercise price of \$0.07 and expiring in 5 years. These options will vest as follows: one-third four months from the grant date, one-third eight months from the grant date, and one-third twelve months from the grant date.

The following is a summary of option transactions under the Company's stock option plan for the six months ended June 30, 2019 and the year ended December 31, 2018:

|                            | June 30, 2019     |                                 | December 31, 2018 |                               |
|----------------------------|-------------------|---------------------------------|-------------------|-------------------------------|
|                            | Number of Options | Weighted Average Exercise Price | Number of Options | Weight Average Exercise Price |
| Balance, beginning of year | 5,525,000         | \$ 0.11                         | 6,450,000         | \$ 0.11                       |
| Cancelled                  | -                 | -                               | (925,000)         | 0.11                          |
| Granted                    | 3,450,000         | 0.07                            | -                 | -                             |
| Balance, end of period     | 8,975,000         | \$ 0.09                         | 5,525,000         | \$ 0.11                       |

The following stock options were outstanding and exercisable as at June 30, 2019:

| Expiry Date  | Exercise Price | Number of Options | Remaining Contractual Life (Years) |
|--|----------------|-------------------|------------------------------------|
| July 22, 2021  | \$ 0.10        | 775,000           | 2.06                               |
| November 8, 2021   | \$ 0.10        | 150,000           | 2.36                               |
| January 16, 2022   | \$ 0.135       | 1,100,000         | 2.55                               |
| May 12, 2022   | \$ 0.10        | 400,000           | 2.87                               |
| June 19, 2022  | \$ 0.10        | 400,000           | 2.97                               |
| August 17, 2022  | \$ 0.10        | 1,125,000         | 3.13                               |
| September 25, 2025   | \$ 0.10        | 1,425,000         | 6.24                               |
| March 15, 2026   | \$ 0.10        | 150,000           | 6.71                               |
| Total  |                | 5,525,000         |                                    |
| Weight average remaining life of stock options outstanding and exercisable |                |                   | 3.72                               |

The Company applies the fair value method in accounting for its stock options using the Black-Scholes pricing model. During the six months ended June 30, 2019, the Company issued a total of 3,450,000 (June 30, 2018 – nil) incentive stock options to directors, officers, employees, and consultants of the Company. During the six months ended June 30, 2019, the options issued and vested resulted in share-based payments of \$17,708 (June 30, 2018 – \$44,354). The following parameters were used to value stock options:

# ALX Uranium Corp.

Notes to the Condensed Interim Financial Statements  
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## 8. SHARE-BASED PAYMENTS – continued

|                                    | June 30, 2019 | June 30, 2018 |
|------------------------------------|---------------|---------------|
| Expected Life                      | 5 years       | N/A           |
| Risk-free interest rate            | 1.33%         | N/A           |
| Annualized volatility              | 113.49%       | N/A           |
| Dividend rate                      | N/A           | N/A           |
| Fair value of shares at grant date | \$0.055       | N/A           |

## 9. COMMITMENTS

On January 1, 2019 the Company entered into a new five year office lease. The Company is required to pay annual operating costs plus annual base rent of \$44,425 per year in the first two years and \$47,979 per year in the final three years of the lease. The Company rents out a portion of its office for a period of one year commencing September 1, 2018 until August 31, 2019 for one-half of the Company's monthly lease obligation. The sub-tenant is also responsible for one-half of the annual operating costs payable under the office lease. Sub-leases are included in other income on the statement of operations.

The underlying lease payments have been discounted using the Company's incremental borrowing rate on January 1, 2019 of 12%. On January 1, 2019, the present value of future lease payments and initial recognition of the right-of-use asset totaled \$175,184. During the six months ended June 30, 2019 the Company recorded an interest expense of \$8,373 as a finance charge for this lease.

## 10. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers, vice-presidents and members of its board of directors.

The following compensation was awarded to key management personnel:

|                                       | Three Months Ended |               | Six Months Ended |               |
|---------------------------------------|--------------------|---------------|------------------|---------------|
|                                       | June 30, 2019      | June 30, 2018 | June 30, 2019    | June 30, 2018 |
| Salaries and consulting fees          | \$ 89,177          | \$ 70,689     | \$ 170,789       | \$ 140,991    |
| Share-based compensation              | 15,526             | 10,049        | 15,526           | 28,469        |
| Key management personnel compensation | \$ 104,703         | \$ 80,738     | \$ 186,315       | \$ 169,460    |

During the six months ended June 30, 2019, the Company incurred consulting fees of \$nil (June 30, 2018 - \$6,712) and exploration costs of \$12,968 (June 30, 2018 - \$27,328) with Dahrouge Geological, a company controlled by Jody Dahrouge who is also a director of ALX. On June 11, 2018, ALX acquired exploration and evaluation assets for \$40,000 from DG Resource Management Ltd, a company controlled by Jody Dahrouge who is also a director of ALX.

Related party amounts are unsecured, non-interest bearing and due on demand. As at June 30, 2019, \$1,349 (December 31, 2018 - \$2,954) is due to related parties of the Company and is included in accounts payable and accrued liabilities.

# ALX Uranium Corp.

Notes to the Condensed Interim Financial Statements

For the Six Months ended June 30, 2019

(Expressed in Canadian Dollars)

## 11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

|   | June 30, 2019 |         | June 30, 2018 |         |
|---|---------------|---------|---------------|---------|
| Exploration and evaluation expenditures in accounts payable | \$            | 86,874  | \$            | 505,597 |
| Warrants granted for finder's fees                          | \$            | 42,319  | \$            | -       |
| Shares issued for property option payment                   | \$            | 251,000 | \$            | 426,000 |

## 12. FINANCIAL RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The board of directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(a) Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash balances. The Company manages its credit risk on bank deposits by holding deposits in high credit quality banking institutions in Canada. Management believes that the credit risk with respect to receivables is remote.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

(c) Foreign exchange risk

The Company is not exposed to foreign currency risk on fluctuations considering that its assets and liabilities are stated in Canadian dollars.

(d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. With respect to financial assets, the Company's practice is to invest cash in cash equivalents in order to maintain liquidity. Fluctuations in interest rates affect the fair value of cash equivalents.

(e) Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, net of cash and cash equivalents.

There were no changes in the Company's approach to capital management during the period ended June 30, 2019 or the year ended December 31, 2018. The Company is not subject to any externally imposed capital requirements.



# ALX Uranium Corp.

Notes to the Condensed Interim Financial Statements

For the Six Months ended June 30, 2019

(Expressed in Canadian Dollars)

## 12. FINANCIAL RISK MANAGEMENT - continued

### (f) Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The following is an analysis of the Company's financial assets measured at fair value as at June 30, 2019 and December 31, 2018:

|                       | As at June 30, 2019 |         |         |
|-----------------------|---------------------|---------|---------|
|                       | Level 1             | Level 2 | Level 3 |
| Cash                  | \$ 2,036,280        | \$ -    | \$ -    |
| Marketable securities | \$ 1,055,942        | \$ -    | \$ -    |
|                       | \$ 3,092,222        | \$ -    | \$ -    |

  

|                       | As at December 31, 2018 |         |         |
|-----------------------|-------------------------|---------|---------|
|                       | Level 1                 | Level 2 | Level 3 |
| Cash                  | \$ 889,437              | \$ -    | \$ -    |
| Marketable securities | \$ 1,244,252            | \$ -    | \$ -    |
|                       | \$ 2,133,689            | \$ -    | \$ -    |

*(end of document)*